

**Corporation for National and Community Service**

**2010 Social Innovation Fund**

**New Profit Inc.**

**Reviewer Comments – Phase 1**

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**2010 Social Innovation Fund**

**New Profit Inc.**

**Section 1 – Reviewer Comments: Group 1**

## SOCIAL INNOVATION FUND 2010

### PANEL CONSENSUS FORM

*Instructions throughout this form are indicated in red.*

**Before you begin, please fill out the Applicant Name and Application ID# in the above header.** This Panel Consensus Form (PCF) is where each panel records its consensus assessment of an application. The completion of this form may be led by any panelist; that individual will be designated the Lead Reviewer (LR). All Expert Reviewers are expected to serve as the LR on at least one application. The consensus assessment should be based on the panel's examination of the full application Narrative, which consists of the following 3 categories:

Category	Percentage	Subcategories
Program Design	45%	A. Goals and Objectives
		B. Use of Evidence
		C. Community Resources
		D. Description of Activities
		i. Subgranting
Organizational Capacity	35%	ii. Technical Assistance and Support
		A. Ability to Provide Program Oversight
Cost-Effectiveness and Budget Adequacy	20%	B. Ability to Provide Fiscal Oversight
		A. Budget and Program Design
		B. Match Sources

Panels will utilize Panel Consensus Calls to discuss each application and come to agreement on the content of the Narrative Assessment for each category, the Rating for each category, the Overall Appraisal Statement and the Band in which the application will be placed. When completing this form, the LR should rely on four primary documents: 1) the application being reviewed; 2) the IRW Compilation for the application being reviewed (compiled prior to discussion by the panel Facilitator); 3) the SIF Notice of Federal Funds Availability (NOFA); 4) the Consensus Rubric at the end of this form.

**Please complete the following steps:**

- For each of the 3 categories (Program Design; Organizational Capacity; Cost-Effectiveness and Budget Adequacy), the LR should:
  - Write a 3 – 5 sentence Narrative Assessment** reflecting the panel's assessment of the quality of the response in the category being assessed; it is important that this narrative is not a summary of the application, rather the panel's evaluation of the application's quality.
  - List the application's significant strengths and weaknesses and annotate each.** Each significant strength or weakness **must** be supported by **at least one** of the Eligibility or Application Review Criteria that were in the SIF NOFA. (examples are included in this form)
  - Taking into consideration** both the Narrative Assessment and the listed strengths and weaknesses, **select a Rating** by checking the appropriate box.
- Complete the Overall Appraisal section.** In this section, you will:
  - Provide an Overall Appraisal Statement; and
  - Select a consensus Band that represents the quality of the application as a whole. The Bands are described in the Overall Appraisal section at the end of this form, and Appendix D of the Review Guide
- After the panel has discussed all applications, provide a Rank for each application.**

## **PROGRAM DESIGN (45%)**

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The Social Innovation Fund Notice of Funding Availability (NOFA) states that the following will be considered when reviewing an applicant's Program Design.

### **A. GOALS AND OBJECTIVES**

*The Corporation asks applicants to use a thematic approach in describing their proposed investments in community organizations. As established in the Act, there are two basic operational models of SIF intermediaries. The first is a SIF that will operate in a single geographic location, and address one or more priority issues within that location. This model is referred to as a "geographically-based SIF." The second model is a SIF that will address a single priority issue area in multiple geographic locations. This model is referred to as an "issue-based SIF." The Corporation will assess whether the application properly proposes goals and objectives as either a geographically-based or an issue-based SIF.*

#### **i. Geographically-Based SIF**

*To apply as a geographically-based SIF, the applicant must propose to focus on serving low-income communities within a specific local geographic area, and propose to focus on improving measurable outcomes related to one or more of the following priority issue areas:*

- **Economic Opportunity** – Increasing economic opportunities for economically disadvantaged individuals;
- **Youth Development and School Support** – Preparing America's youth for success in school, active citizenship, productive work, and healthy and safe lives;
- **Healthy Futures** – Promoting healthy lifestyles and reducing the risk factors that can lead to illness.

*The application must provide 1) statistics on the needs related to the issue area(s) within the specific local geographic area, and 2) information on the specific measurable outcomes related to those issue areas that the applicant will seek to improve.*

#### **ii. Issue-Based SIF**

*To apply as an issue-based SIF, the application must propose to focus on addressing one of the following priority issue areas within multiple low-income communities:*

- **Economic Opportunity** – Increasing economic opportunities for economically disadvantaged individuals;
- **Youth Development and School Support** – Preparing America's youth for success in school, active citizenship, productive work, and healthy and safe lives;
- **Healthy Futures** – Promoting healthy lifestyles and reducing the risk factors that can lead to illness.

*The application must provide 1) statistics on the needs related to the issue area within the geographic areas likely to be served, including statistics demonstrating that those geographic*

*areas have a high need in the priority issue area, and 2) information on the specific measurable outcomes related to the priority issue area that the applicant will seek to improve.*

## **B. USE OF EVIDENCE**

- i. *Applicants must include in their application information describing their track record of using rigorous evidence, data, and evaluation tools to:*
- *Select and invest in subgrantees;*
  - *Support and monitor the replication and expansion of subgrantees; and*
  - *Achieve measurable outcomes.*

## **C. COMMUNITY RESOURCES**

Not applicable. The applicant's Community Resources should be assessed in the Cost-Effectiveness and Budget Adequacy section. Applicants were instructed **not** to provide information in this section. If applicants include information in this section, it should not be considered in your overall rating for the Program Design section.

## **D. DESCRIPTION OF ACTIVITIES**

- i. **Subgranting**
- a. *Applicants must describe the process by which they will competitively select their nonprofit community organization subgrantees, and, if applicable, the process by which they have pre-selected some subgrantees. Specifically, applicants must describe how their competitive subgrant selection process will ensure a portfolio of subgrantees that are innovative nonprofit community organizations serving low-income communities and that possess:*
- *A strong theory of change;*
  - *Strong leadership and financial and management systems, including data management;*
  - *A strong financial position, including funding diversity, the ability to meet the requirements for providing dollar-for-dollar matching funds, and the ability to sustain the initiative after the subgrant period concludes;*
  - *Strong community relationships;*
  - *A commitment to and track record of using data and evaluation for performance and program improvement;*
  - *Evidence of effectiveness, including a demonstrated track record of achieving specific measurable outcomes related to the measurable outcomes for the intermediary;*
  - *Strong potential for replication or expansion;*
  - *A well-defined plan for achieving specific measurable outcomes connected to the measurable outcomes for the intermediary, evaluation of program effectiveness, performance improvement, and replication or expansion; and*
  - *A commitment to use grant funds to replicate, expand, or support their programs.*

*Either as part of its review of the applications or in clarification reviews prior to award, the Corporation may request additional information regarding pre-selected subgrantees for compliance and appropriate outcomes.*

ii. **Technical Assistance and Support**

- a. *Applicants must include in their application information describing how they will provide technical assistance and support (other than financial support) that will increase the ability of subgrantees to achieve their measurable outcomes, including replication or expansion. Replication or expansion may happen in various ways (including, for example, creating new sites or affiliating with another program to replicate an intervention) and in multiple contexts (including, for example, serving more people in a current geography or growing to new geographies).*

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**Provide a panel assessment of the application's PROGRAM DESIGN as follows:**

- **Write a brief Narrative Assessment;**
- **List the Significant Strengths and Weaknesses (annotate your comments by referencing the applicable Eligibility or Application Review Criteria); and**
- **Select a Rating for this section.**

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**Panel Narrative Assessment**

This proposal epitomizes the innovative practice the SIF was designed to support. The applicant requests \$10,000,000 to invest in social innovators with demonstrated evidence of success in supporting low-income youth transitions from high school to post-secondary education and productive employment. In addition to three pre-selected grantees who have already transformed their fields – College Summit, Year Up and iMentor, the applicant will select up to five more grantees to make sustained, large investments of time, money and other resources. As an Issue-based SIF applicant, the proposal provided detailed statistics on the need for program expansion, a comprehensive description of the subgranting process they will use to select subgrantees, specific measurable outcomes, a commitment to replication and expansion and knowledge of data collection and evaluation all key factors of the NOFA. The applicant's history of evidence-based grantee selection, deep technical assistance and successful growth and replication of grantee programs makes it an excellent candidate for funding.

**Significant Strengths**

The applicant provides a very comprehensive description of the sub granting process they use for selection of sub-grantees. It is an extensive and thorough process that addressed each of the key areas in the NOFA for sub-granting. The information they provided undoubtedly demonstrates their experience and understanding of the importance of the process. Their process is an open competitive process based on the Pathways to Prosperity strategy and specific requirements of the SIF. It includes a three-phase stage; Pipeline, Screening and Due diligence. Additionally a set of investment criteria is used to evaluate potential success and is in coordination with key stakeholders. The applicant spends approximately 100 hours on due diligence per each organization with the final analysis results provided in a ten page memo. (*Description of Activities i. Sub-granting*)

The applicant has 11 years of experience as a grant making institution providing large, multiyear operating grants to innovative nonprofit organizations for the purpose of growing their organizations and transforming the fields in which they work. They currently have 22 grantees. Prior organizations include Teach For America, Citizen Schools, Jumpstart, KIPP and Project Health. The applicant proposes technical

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assistance and independent evaluations of sub-grantees to include assisting sub-grantees design evaluations that build on past work and strengthen proof of the efficacy of their intervention. (*Technical Assistance ii*)

The applicant provides well defined and specific measurable outcomes and supporting critical success factors for each outcome that each sub-grantee will be required to meet. The measures are supportive of the proposed goals which include the following: Increase high school graduation and GED attainment, increase college enrollment, increase in college credit accumulation rates, and achieve living wage employment. (*Sub-granting i. a*)

The information the applicant provides on the data that will be used to measure success toward each of the goals is very specific and provides a clear understanding of their knowledge base for effectively measuring success. (*Sub-granting i. a*)

The applicant is knowledgeable and committed to data driven success. This is evident in their thoroughness in addressing the use of evidence which included providing specific examples of the types of data collected, type of evaluations, and successes of the grantee's implementation. The applicant's "mission is to build, over time, a portfolio of grantees that is most likely to demonstrate strong evidence of strong impact," by investing in nonprofit organizations that have preliminary evidence. Their selection criteria include demonstrated commitment to and a track record of using data and evaluation for performance and program improvement. They provide grantees support in building and creating well-defined plans for technical capacity to achieve specific measurable program outcomes, evaluation of program effectiveness, performance improvement and replication in moving organizations from preliminary evidence to moderate and strong evidence. (*B. Use of Evidence*)

The proposal reflects an explicit focus on both expansion and replication. Subgrantees are expected to increase the number of youth they are working with at current locations and expand to 3 – 5 new communities. Expansion and growth are core outcomes of social innovation described in the NOFA. (*Program Design D. i.a.*)

The applicant describes a compelling need for college and workforce readiness work with detailed statistics on the national level and in the cities targeted for first year investment – Chicago, Denver, Miami and New York. (*Program Design A. ii.*)

The proposal lists outcomes with a specificity of measures that reflects nuanced understanding of the work to be funded. For example, rather than just naming a goal of increased college persistence, the associated outcome is "Increase in college credit accumulation rates: percentage of students who complete credits within two years of high school graduation." (*Program Design A. ii.*)

The applicant has a history of using specific program impact metrics that track revenue growth and growth of participants served. The current portfolio has a compound annual growth rate of revenue of 35% and beneficiaries served of 40%. This data-supported focus on expansions clearly aligns with the SIF goals of using public dollars to leverage innovation on a large scale with wide impact. (*Program Design B. i.*)

### **Significant Weaknesses**

No weaknesses were found by the panel.

**Select a Rating for PROGRAM DESIGN** (double-click in the applicable box and select "checked")



☒ Excellent

☐ Strong

☐ Satisfactory

☐ Weak/Non-responsive

## ORGANIZATIONAL CAPACITY (35%)

The **Social Innovation Fund NOFA** states that the following will be considered when reviewing an applicant's Organizational Capacity.

### A. ABILITY TO PROVIDE PROGRAM OVERSIGHT

*In evaluating your organization's ability to provide program oversight, the Corporation will consider:*

- i. *The extent to which your organization has a sound structure including:*
  - *The ability to provide sound programmatic oversight, including:*
    - *Experience with and capacity for evaluation; and*
    - *Experience with and capacity for supporting replication or expansion.*
  - *Well-defined roles for your Board of directors, administrators, and staff;*
  - *A well-designed plan and systems for organizational (as opposed to subgrantee) self-assessment and continuous improvement; and*
  - *The ability to provide and/or secure effective technical assistance.*
- ii. *Whether your organization has a sound record of accomplishment, including the extent to which you:*
  - *Have a track record of supporting organizations that demonstrate evidence of impact;*
  - *Demonstrate leadership within the organization and strong relationships within the communities served;*
  - *Have a track-record of raising substantial resources, and, if you are an existing Federal grantee, having secured the matching resources as required in your prior grant awards; and*
  - *The extent to which your community support recurs, increases in scope or amount, and is more diverse, as evidenced by:*
    - *Collaborations that include a diverse spectrum of community stakeholders;*
    - *A broad base of financial support, including local financial and in-kind contributions; and*
    - *Supporters who represent a wide range of community stakeholders.*

### B. ABILITY TO PROVIDE FISCAL OVERSIGHT

*Entities eligible to apply for SIF grants include:*

- *Existing grantmaking institutions, or*
  - *Partnerships between an existing grantmaking institution and another grantmaking institution, a State Commission, or the chief executive officer of a unit of general local government*
- i. *Existing grantmaking institutions are organizations in existence at the time of the application where, investing in nonprofit community organizations or programs is an essential (rather than*

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*collateral) means of fulfilling their mission and vision. In keeping with this view, grantmaking institutions will generally have the following as part of their core operating functions:*

- *Conducting open or otherwise competitive programs to award grants to or make investments in a diverse portfolio of nonprofit community organizations;*
  - *Negotiating specific grant requirements with nonprofit community organizations; and*
  - *Overseeing and monitoring the performance of grantees.*
- ii. *In evaluating your organization's ability to provide fiscal oversight, the Corporation will take into account its review of your organization's capacity. The Corporation will further consider:*
- *The extent to which your organization, or proposed partnership, has key personnel with the knowledge, skills, abilities, and experience to provide fiscal oversight of subgrantees; and*
  - *Whether your organization, or proposed partnership, has specific experience in providing fiscal oversight of subgrantees of Federal funds.*

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**Provide a panel assessment of the application's ORGANIZATIONAL CAPACITY as follows:**

- **Write a brief Narrative Assessment;**
- **List the Significant Strengths and Weaknesses (annotate your comments by referencing the applicable Eligibility or Application Review Criteria); and**
- **Select a Rating for this section.**

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#### **Panel Narrative Assessment**

The applicant has several significant strengths and no weaknesses in this section. They describe an excellent plan demonstrating a sound structure and foundation for providing program and fiscal oversight. They thoroughly addressed experience with evaluation, capacity for supporting replication or expansion, the structure of their organization as well as that of their partners. They also demonstrate strong relationships and leadership within the communities they serve. The applicant has significant experience in sub-granting.

#### **Significant Strengths**

The applicant demonstrated a track record of supporting organizations that demonstrate evidence of impact. The applicant has provided grants for 11 years, focusing on selecting and investing in a portfolio of grantees in education, workforce development, public health and poverty alleviation. The applicant developed a five-year strategic plan and budget of \$125 million. They have established a funding stream of over 50 donors, and 300 Monitor consultants that assist grantees to address strategic issues facing nonprofits. Additionally, they established an Action Tank to address strategies on broader systemic change and to create supportive environments for social innovation at national scale. An annual conference was established in 2005, gathering leaders from across sectors to share and generate ideas for social change. They established a bi-partisan coalition of more than 90 nonprofits that works with policymakers to leverage the impact of social innovation through public and private resources. (*Organizational Capacity A. Ability to provide program oversight i.*)

The applicant provides a very comprehensive description of the sub granting process they use for selection of sub-grantees. It is an extensive and thorough process that addressed each of the key areas in the NOFA

for sub-granting. The information they provided undoubtedly demonstrates their experience and understanding of the importance of the process. Their process is an open competitive process based on the Pathways to Prosperity strategy and specific requirements of the SIF. It includes a three-phase stage; Pipeline, Screening and Due diligence. Additionally a set of investment criteria is used to evaluate potential success and is in coordination with key stakeholders. The applicant spends approximately 100 hours on due diligence per each organization with the final analysis results provided in a ten page memo. (Bi)

The applicant has extensive experience managing grants inclusive of local, city, state and foundation grants with the financial recording system to track expenses by funding source. Internal systems will be added to include staff to manage the federal funds if they are awarded. The applicant complied with annual third-party audits which addresses financials, internal controls and personnel policies. (Bii)

The applicant demonstrates considerable knowledge and experience. They have a 40-person staff organized into four departments that will provide oversight and guidance of the sub-grantees and the SIF grant. A partner from the Portfolio Management team will lead the SIF fund and will support sub-grantees. The administrators will oversee the general management and strategic guidance of the SIF grant. A program officer is assigned to each organization and is responsible for monitoring and site compliance to determine program effectiveness. The program officer works with research and evaluation on the sub-grantees evaluation plan. Program Officers will meet the board of directors. The applicant plans to hire a third party evaluator, a program manager to provide technical assistance, and a financial manager that will oversee the day-today financial management of the SIF fund. (A.i)

The applicant not only has a 10-year history of grantmaking, but it also tends to maintain investment relationships over a longer period of time. An average grant period is four years, but some relationships have lasted longer such as with one of the pre-selected grantees, College Summit, who NPI has funded since 2001 (*Organizational Capacity A ii. and Organizational Capacity B. i.*)

The applicant has a history of funding innovators whose work has deeply impacted and transformed the fields in which they work. They were some of the earliest large funders of well-known youth development and education-focused social entrepreneurs such as Teach for America, KIPP, New Leaders for New Schools and Citizen Schools. (*Organizational Capacity A. i.*)

The applicant has supported the aggressive growth and expansion of current grantees. Of the pre-selected grantees, College Summit grew from five sites with 1000 students to 12 states serving 17,000 students, while reducing costs per student by 34%. Year Up and iMentor experienced similar growth (*Organizational Capacity A. i*)

The applicant describes a strong staffing infrastructure to support both program oversight and fiscal oversight. Programmatically, the applicant maintains a 1:4 program officer to grantee ratio to allow intense technical assistance and support for each grantee. NPI's investment model requires program officers to sit on their grantee's board. (*Organizational Capacity A*)

The applicant proposes clear activities designed to help grantees raise matching funds including a fundraiser with high-net worth individuals and related donor development trainings. (*Organizational Capacity A. ii*)

### **Significant Weaknesses**

No weaknesses were found by the panel.

Applicant Name: New Profit, Inc  
Application ID#: 10SI114710

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Select a Rating for ORGANIZATIONAL CAPACITY (double-click in the applicable box and select "checked")

☒ Excellent

☐ Strong

☐ Satisfactory

☐ Weak/Non-responsive

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## **COST EFFECTIVENESS AND BUDGET ADEQUACY (20%)**

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The **Social Innovation Fund NOFA** states that the following will be considered when reviewing an applicant's Cost-Effectiveness and Budget Adequacy.

### **A. BUDGET AND PROGRAM DESIGN**

*In evaluating the cost effectiveness and budget adequacy of your proposed program, the Corporation will consider:*

- i. *Whether your program is cost-effective based on:*
  - *The extent to which your program demonstrates diverse, non-Federal resources for program implementation and sustainability;*
  - *The extent to which you are proposing to provide more than the minimum required share of the costs of your program; and*
  - *Whether the reasonable and necessary costs of your program or project are higher because you are proposing to serve areas that are significantly philanthropically underserved.*
- ii. *Whether your budget is adequate to support your program design.*

### **B. MATCH SOURCES**

- i. *At the time of submission of the application, applicants must demonstrate either cash-on-hand or commitments (or a combination thereof) toward meeting 50 percent their first year matching funds, based on the amount of Federal grant funds applied for.*
- ii. *In addition to the match eligibility criteria, the Corporation will evaluate the extent to which you have a combination of cash-on-hand or commitments to meet the full match requirements, and whether your organization will be able to provide financial resources for your SIF program beyond the minimum required match.*

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**Provide a panel assessment of the application's COST-EFFECTIVENESS AND BUDGET ADEQUACY as follows:**

- **Write a brief Narrative Assessment;**
- **List the Significant Strengths and Weaknesses (annotate your comments by referencing the applicable Eligibility or Application Review Criteria); and**
- **Select a Rating for this section.**

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**Panel Narrative Assessment**

Applicant Name: New Profit, Inc  
Application ID#: 10SI114710

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The applicant demonstrates the ability to raise funds and meet the match requirement. However, the significant weaknesses caused us to question the efficiency and cost effectiveness of this applicant to use federal funds for high salaries. Therefore, we have rated this section as strong.

### Significant Strengths

The applicant's plan demonstrates their experience with match requirements and their ability to raise funds. They have secured commitments to meet the required match, and provided a list of the funding organizations and amount that each will provide. The applicant will assist grantees by providing technical assistance to in-house development teams on fundraising strategies, facilitate funder collaborations, and establish challenge grants to stimulate giving from local networks. *(B. Match Sources i)*

The applicant has a strong financial position; they have net assets of \$43,687,789 with a current annual budget of \$9,983,000. The organization is well positioned and capable of effective stewardship of large funds. *(Cost Effectiveness and Budget Adequacy A. i)*

The organization has been a prolific fundraiser. Since 2008 alone, NPI has raised \$101 million from various private sources. The deep commitment of private resources makes them an excellent candidate for a sustained public-private partnership on the scale desired by the SIF. *(Cost Effectiveness and Budget Adequacy A. ii.)*

### Significant Weaknesses

The salary for the each partner seems high at \$165,000 annually, for a total of \$330,000 of grant funds. It may be in line with what they currently pay, however that information is not included. The salary does not seem reasonable and therefore is not in line with cost effectiveness according to the NOFA.

If funded, SIF federal funds will account for 59% of the organization's annual budget. For an organization with no history of federal funding, this is a significant shift in their funding schematic and may over leverage federal resources. *(Cost Effectiveness and Budget Adequacy A. i.)*

**Select a Rating for COST-EFFECTIVENESS AND BUDGET ADEQUACY** (double-click in the applicable box and select "checked")

☐ Excellent

☒ Strong

☐ Satisfactory

☐ Weak/Non-responsive

## OVERALL APPRAISAL

### I. Provide a 3 - 5 sentence Overall Appraisal Statement of the application taking into consideration:

- The Narrative Assessments, significant strengths and weaknesses, and Ratings from each category; and
- The weighting of each category (Program Design (45%), Organizational Capacity (35%), Cost-Effectiveness and Budget Adequacy (20%)).

Applicant Name: New Profit, Inc

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Overall, the applicant submitted an excellent proposal. We were impressed by the applicant's past experience investing in youth development-focused social innovators, commitment to data-driven decision-making and prolific private fundraising to date. The venture philanthropy model, as described, rigorously sources, selects, monitors and grows grantees and this is exactly the type of approach that will allow SIF funds to have deep impact across the country. Despite concerns about the cost-effectiveness of the applicant's salary structure and balance of private-public funding sources should an award be made, we still ranked this application among the elite proposals.

**II. Select one Band for this application** (double-click in the applicable box and select "checked")

**Ensure that your selection is supported by your panel's Narrative Assessments, significant strengths and weaknesses, Ratings, and Overall Appraisal Statement. Take into consideration the weighting of each category.**

- ☒ **Band I (Excellent):** A comprehensive and thorough application of excellent merit with very significant strengths and no/minimal significant weaknesses.
- ☐ **Band II (Strong):** An application that demonstrates overall competence and is worthy of support, where the value of the significant strengths outweigh the identified weaknesses.
- ☐ **Band III (Satisfactory):** An application with potential, where strengths and weaknesses are approximately equal. However, some fundamental weaknesses have been identified.
- ☐ **Band IV (Weak/Non-Responsive):** An application with very significant weaknesses and no/minimal significant strengths that have been identified. This option may also include an application that is non-responsive to the published criteria.
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## Rank

**As a panel, Rank this application in relation to the other applications on your panel.** Complete this section only after all applications before your panel have been reviewed and consensus has been achieved on each one. The highest rank is "1".

**Rank:** 2 of 6 total applications on Panel # 5.

## CONSENSUS RUBRIC

Please use this Consensus Rubric as guidance when selecting your Ratings or Bands.

**BAND I (Excellent)** — *A BAND I rating reflects that the application is compelling, consistently excellent in quality, and addresses all requirements; thereby showing the highest potential for success.*

The **Excellent** application consistently:

- ✓ Goes beyond what was requested, showing that the applicant has anticipated issues that may arise.
- ✓ Provides a thorough, detailed response to all of the information requested.
- ✓ Provides a clear and highly compelling description of how the proposed activities will achieve the anticipated results.
- ✓ Provides clear evidence to support all objectives of this section (no assumptions are made).
- ✓ Supports ideas and objectives with comprehensive plans explaining and connecting ideas to objectives.

**BAND II (Strong)** — *A BAND II rating reflects that the application is solid, good-quality, and has great potential for success.*

The **Strong** application:

- ✓ Provides a response to all of the information requested.
- ✓ Provides a realistic description of how the proposed activities will achieve the anticipated results.
- ✓ Explains most assumptions and reasons.
- ✓ Supports ideas with comprehensive plans, examples, or outlines.

**BAND III (Satisfactory)** — *A BAND III rating reflects that the application generally meets requirements for a reasonable chance of success, but is neither especially strong nor especially weak.*

The **Satisfactory** application:

- ✓ Covers most of the information requested, with a few exceptions.
- ✓ Is sometimes unclear how the proposed activities will achieve the anticipated results.
- ✓ Makes some assumptions and leaves some reasons unexplained.
- ✓ Supports individual ideas with plans, examples, or outline.

**BAND IV (Weak/Non-responsive)** — *A weak/non-responsive rating reflects that the application is below standard especially in ability, skill, or quality; indicating that this application will most likely not succeed as described or is not responsive to the application requirements.*

The **Weak/Non-responsive** application:

- ✓ Does not provide one or more key pieces of requested information.
- ✓ Gives an unclear description of how the proposed activities will achieve the anticipated results.
- ✓ Gives many unsupported assumptions and reasons with little or no connection to objectives.
- ✓ Tends to "parrot" back the question, rather than answer and explain it
- ✓ Makes many assumptions and many reasons are not defined.
- ✓ Did not connect the activities to the anticipated results.

Applicant Name: New Profit, Inc

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- ✓ Does not address or respond to the requirements/conditions of the NOFA.
- ✓ Proposes activities that are not consistent with the NOFA and application instructions.



**2010 Social Innovation Fund**

**New Profit Inc.**

**Section 2 – Reviewer Comments: Group 2**

Applicant Name: New Profits Inc

Application ID#: 015292654

## SOCIAL INNOVATION FUND 2010

### New Profit, Incorporated Application ID #10SI114710

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Application ID#: 015292654

- b. Select a consensus Band that represents the quality of the application as a whole. The Bands are described in the Overall Appraisal section at the end of this form, and Appendix D of the Review Guide.
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## PROGRAM DESIGN (45%)

The Social Innovation Fund Notice of Funding Availability (NOFA) states that the following will be considered when reviewing an applicant's Program Design.

### A. GOALS AND OBJECTIVES

*The Corporation asks applicants to use a thematic approach in describing their proposed investments in community organizations. As established in the Act, there are two basic operational models of SIF intermediaries. The first is a SIF that will operate in a single geographic location, and address one or more priority issues within that location. This model is referred to as a "geographically-based SIF." The second model is a SIF that will address a single priority issue area in multiple geographic locations. This model is referred to as an "issue-based SIF." The Corporation will assess whether the application properly proposes goals and objectives as either a geographically-based or an issue-based SIF.*

#### i. **Geographically-Based SIF**

*To apply as a geographically-based SIF, the applicant must propose to focus on serving low-income communities within a specific local geographic area, and propose to focus on improving measurable outcomes related to one or more of the following priority issue areas:*

- **Economic Opportunity** – Increasing economic opportunities for economically disadvantaged individuals;
- **Youth Development and School Support** – Preparing America's youth for success in school, active citizenship, productive work, and healthy and safe lives;
- **Healthy Futures** – Promoting healthy lifestyles and reducing the risk factors that can lead to illness.

*The application must provide 1) statistics on the needs related to the issue area(s) within the specific local geographic area, and 2) information on the specific measurable outcomes related to those issue areas that the applicant will seek to improve.*

#### ii. **Issue-Based SIF**

*To apply as an issue-based SIF, the application must propose to focus on addressing one of the following priority issue areas within multiple low-income communities:*

- **Economic Opportunity** – Increasing economic opportunities for economically disadvantaged individuals;
- **Youth Development and School Support** – Preparing America's youth for success in school, active citizenship, productive work, and healthy and safe lives;

- **Healthy Futures** – Promoting healthy lifestyles and reducing the risk factors that can lead to illness.

*The application must provide 1) statistics on the needs related to the issue area within the geographic areas likely to be served, including statistics demonstrating that those geographic areas have a high need in the priority issue area, and 2) information on the specific measurable outcomes related to the priority issue area that the applicant will seek to improve.*

## **B. USE OF EVIDENCE**

- Applicants must include in their application information describing their track record of using rigorous evidence, data, and evaluation tools to:*
  - *Select and invest in subgrantees;*
  - *Support and monitor the replication and expansion of subgrantees; and*
  - *Achieve measurable outcomes.*

## **C. COMMUNITY RESOURCES**

Not applicable. The applicant's Community Resources should be assessed in the Cost-Effectiveness and Budget Adequacy section. Applicants were instructed **not** to provide information in this section. If applicants include information in this section, it should not be considered in your overall rating for the Program Design section.

## **D. DESCRIPTION OF ACTIVITIES**

- Subgranting**
  - Applicants must describe the process by which they will competitively select their nonprofit community organization subgrantees, and, if applicable, the process by which they have pre-selected some subgrantees. Specifically, applicants must describe how their competitive subgrant selection process will ensure a portfolio of subgrantees that are innovative nonprofit community organizations serving low-income communities and that possess:*
    - *A strong theory of change;*
    - *Strong leadership and financial and management systems, including data management;*
    - *A strong financial position, including funding diversity, the ability to meet the requirements for providing dollar-for-dollar matching funds, and the ability to sustain the initiative after the subgrant period concludes;*
    - *Strong community relationships;*
    - *A commitment to and track record of using data and evaluation for performance and program improvement;*
    - *Evidence of effectiveness, including a demonstrated track record of achieving specific measurable outcomes related to the measurable outcomes for the intermediary;*
    - *Strong potential for replication or expansion;*
    - *A well-defined plan for achieving specific measurable outcomes connected to the measurable outcomes for the intermediary, evaluation of program effectiveness, performance improvement, and replication or expansion; and*
    - *A commitment to use grant funds to replicate, expand, or support their programs.*

*Either as part of its review of the applications or in clarification reviews prior to award, the Corporation may request additional information regarding pre-selected subgrantees for compliance and appropriate outcomes.*

ii. **Technical Assistance and Support**

- a. *Applicants must include in their application information describing how they will provide technical assistance and support (other than financial support) that will increase the ability of subgrantees to achieve their measurable outcomes, including replication or expansion. Replication or expansion may happen in various ways (including, for example, creating new sites or affiliating with another program to replicate an intervention) and in multiple contexts (including, for example, serving more people in a current geography or growing to new geographies).*

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**Provide a panel assessment of the application's PROGRAM DESIGN as follows:**

- **Write a brief Narrative Assessment;**
  - **List the Significant Strengths and Weaknesses (annotate your comments by referencing the applicable Eligibility or Application Review Criteria); and**
  - **Select a Rating for this section.**
- 

**Panel Narrative Assessment**

NPI is an organization that has succeeded in identifying innovative social entrepreneurs who are committed to youth development and school support. The overall orientation of NPI and their approach to working with grantees to develop evidence-based programs that can be scaled up and replicated is appealing for the SIF. However, the application left unaddressed several significant concerns about the design of the overall program. The subgrantees selected, and NPI's track record with them was impressive but the application lacked sufficient and satisfactory details regarding the subgrantee selection process, the theory of change for their work, and a clear explanation for the level of staffing within the context of the proposed work.

**Significant Strengths**

- All three of the proposed subgrantees represent a significant strength of NPI's proposal. The subgrantee's track record of innovation and impact is impressive and worthy of replicating as evidenced in the initial description of each pre-selected grantees and their accomplishments (Program Design, D.i.a).
- The applicant has a well developed capacity building and technical assistance program including: leadership development, theory of change for program model, honing of program/delivery model, growth planning and economic modeling, organizational strategy, and organizational and program metrics. These topics suggest a likelihood of increasing the ability of their grantees to achieve measurable outcomes as indicated by NPI's examples from each subgrantee -- NPIs work with College Summit on a multi-year growth plan, their work with YU in prioritizing early activities to impact public policy, and their partner Blue Ridge's work expanding iMentor to 60 organizations in 22 states.(Program Design, D.ii.a).

### Significant Weaknesses

- The proposed process for additional Subgrantee Selection is not sufficiently competitive. The section about Competitiveness of Selection appears to contradict the initial description of the proposed selection process. The initial description says it will be an open and competitive process. The later section addressing the competitiveness indicates NPI will begin with a pre-selected pool of approximately 200 organizations and select up to four grantees. There are insufficient details about how the overall process will be run -- criteria, timelines, intended outcomes etc. (Program Design, D.i.a).
- The proposal contains no additional information on the criteria for the pre-selected pool and no information on the composition of the pool. For example the proposal does not indicate what geographies will be targeted and what types of programs the organization will offer. The weakness here is two-fold. The process described does not appear to be open and competitive and the lack of information on the composition of the pre-selected pool is a concern when combined with insufficient information on the cities they will target or the "critical interventions" they are looking to include in the overall grantmaking portfolio (Program Design, D.i.a).
- The most significant details on the program design focus on technical assistance, case study evaluations and limited fundraising on behalf of the grantees. The proposal does not provide sufficient details, beyond program officer support which is addressed below in the cost effectiveness section, about exactly how capacity will be built. Specifically, there are insufficient details about how the subgrantees will develop independent capacity for fundraising and evaluation (Program Design, D.ii.a)

Select a Rating for PROGRAM DESIGN (double-click in the applicable box and select "checked")

☐ Excellent

☐ Strong

☒ Satisfactory

☐ Weak/Non-responsive

### ORGANIZATIONAL CAPACITY (35%)

The Social Innovation Fund NOFA states that the following will be considered when reviewing an applicant's Organizational Capacity.

#### A. ABILITY TO PROVIDE PROGRAM OVERSIGHT

*In evaluating your organization's ability to provide program oversight, the Corporation will consider:*

- i. *The extent to which your organization has a sound structure including:*
  - *The ability to provide sound programmatic oversight, including:*
    - *Experience with and capacity for evaluation; and*
    - *Experience with and capacity for supporting replication or expansion.*
  - *Well-defined roles for your Board of directors, administrators, and staff;*
  - *A well-designed plan and systems for organizational (as opposed to subgrantee) self-assessment and continuous improvement; and*
  - *The ability to provide and/or secure effective technical assistance.*

- ii. *Whether your organization has a sound record of accomplishment, including the extent to which you:*
- *Have a track record of supporting organizations that demonstrate evidence of impact;*
  - *Demonstrate leadership within the organization and strong relationships within the communities served;*
  - *Have a track-record of raising substantial resources, and, if you are an existing Federal grantee, having secured the matching resources as required in your prior grant awards; and*
  - *The extent to which your community support recurs, increases in scope or amount, and is more diverse, as evidenced by:*
    - *Collaborations that include a diverse spectrum of community stakeholders;*
    - *A broad base of financial support, including local financial and in-kind contributions; and*
    - *Supporters who represent a wide range of community stakeholders.*

#### **B. ABILITY TO PROVIDE FISCAL OVERSIGHT**

*Entities eligible to apply for SIF grants include:*

- *Existing grantmaking institutions, or*
  - *Partnerships between an existing grantmaking institution and another grantmaking institution, a State Commission, or the chief executive officer of a unit of general local government*
- i. *Existing grantmaking institutions are organizations in existence at the time of the application where, investing in nonprofit community organizations or programs is an essential (rather than collateral) means of fulfilling their mission and vision. In keeping with this view, grantmaking institutions will generally have the following as part of their core operating functions:*
- *Conducting open or otherwise competitive programs to award grants to or make investments in a diverse portfolio of nonprofit community organizations;*
  - *Negotiating specific grant requirements with nonprofit community organizations; and*
  - *Overseeing and monitoring the performance of grantees.*
- ii. *In evaluating your organization's ability to provide fiscal oversight, the Corporation will take into account its review of your organization's capacity. The Corporation will further consider:*
- *The extent to which your organization, or proposed partnership, has key personnel with the knowledge, skills, abilities, and experience to provide fiscal oversight of subgrantees; and*
  - *Whether your organization, or proposed partnership, has specific experience in providing fiscal oversight of subgrantees of Federal funds.*

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**Provide a panel assessment of the application's ORGANIZATIONAL CAPACITY as follows:**

- **Write a brief Narrative Assessment;**
  - **List the Significant Strengths and Weaknesses (annotate your comments by referencing the applicable Eligibility or Application Review Criteria); and**
  - **Select a Rating for this section.**
-

Applicant Name: New Profits Inc  
Application ID#: 015292654

### Panel Narrative Assessment

The application details NPI's strong track record and excellent subgrantees largely attributed to the high level of staffing each grantee receives. The primary areas of oversight detailed in the proposal are the capacity building and technical assistance. NPI will take a board seat at each subgrantee's organization. They will contract for outside evaluators but there are no clearly outlined plans to increase the grantee capacity without creating reliance on NPI. NPI's existing infrastructure to manage the SIF grant is lacking. The number of new staff they propose hiring, the amount budgeted for the positions, and the percentage of these funds in relation to their current budget are all significant areas of concern.

### Significant Strengths

- NPI's program officer to grantee ratio of 1:4 indicates a commitment to in-depth collaboration with grantees as suggested by the examples of growth and improvement provided in the description of each of the three pre-selected subgrantees (Organizational Capacity B.i.).

### Significant Weaknesses

- The size of the proposed budget and the adequacy of their staffing plan were significant weaknesses in NPI's proposal. The addition of four grantees is roughly a 15 % increase in the number of grantees in their portfolio. The requested 10 million dollars from SIF would represent a 59% increase in NPI's organizational budget (Organizational Capacity, B.i).
- NPI is proposing four new staff positions to manage the program portfolio and they have no experience managing federal grants. The staff positions that need to be hired include Director of Research and Evaluation, Partners, Manager and Financial Manager. These positions will be responsible for managing the key components of the proposed program -- evaluation, develop scale and expansion plans, capacity building and technical assistance, and ensure compliance with the federal grant guidelines. The application suggests there is no existing capacity for NPI to manage the program and that the program is intended to increase NPI's capacity as much as provide re-granting funds for the subgrantees. (Organizational Capacity, B.ii).
- The application indicates that this is the first federal grant they have applied for and in order to comply with federal reporting requirements they will need to hire new staff (Organizational Capacity, B.ii).

Select a Rating for ORGANIZATIONAL CAPACITY (double-click in the applicable box and select "checked")

☐ Excellent

☐ Strong

☐ Satisfactory

☒ Weak/Non-responsive

### COST EFFECTIVENESS AND BUDGET ADEQUACY (20%)

The Social Innovation Fund NOFA states that the following will be considered when reviewing an applicant's Cost-Effectiveness and Budget Adequacy.

#### A. BUDGET AND PROGRAM DESIGN



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*In evaluating the cost effectiveness and budget adequacy of your proposed program, the Corporation will consider:*

- i. *Whether your program is cost-effective based on:*
  - *The extent to which your program demonstrates diverse, non-Federal resources for program implementation and sustainability;*
  - *The extent to which you are proposing to provide more than the minimum required share of the costs of your program; and*
  - *Whether the reasonable and necessary costs of your program or project are higher because you are proposing to serve areas that are significantly philanthropically underserved.*
- ii. *Whether your budget is adequate to support your program design.*

## **B. MATCH SOURCES**

- i. *At the time of submission of the application, applicants must demonstrate either cash-on-hand or commitments (or a combination thereof) toward meeting 50 percent their first year matching funds, based on the amount of Federal grant funds applied for.*
- ii. *In addition to the match eligibility criteria, the Corporation will evaluate the extent to which you have a combination of cash-on-hand or commitments to meet the full match requirements, and whether your organization will be able to provide financial resources for your SIF program beyond the minimum required match.*

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**Provide a panel assessment of the application's COST-EFFECTIVENESS AND BUDGET ADEQUACY as follows:**

- **Write a brief Narrative Assessment;**
- **List the Significant Strengths and Weaknesses (annotate your comments by referencing the applicable Eligibility or Application Review Criteria); and**
- **Select a Rating for this section.**

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### **Panel Narrative Assessment**

The proposed budget projects a level of overhead that was in excess of what seemed reasonable to manage the proposed project. The number of staff, the search firm proposed to hire them and the proposed budget compensation are all inappropriate for the SIF. The budget indicates that all of the costs for the program, except for the required match, will be covered by the SIF grant. NPI does not propose contributing any of the costs of the program. The proposal outlines a set of benefits accrued to NPI which seem disproportionate to the proposed level of work with the subgrantees.

### **Significant Strengths**

- NPI has a track record of securing individual investors to support their work with their grantees (Cost Effectiveness, B.ii.).

Applicant Name: New Profits Inc

Application ID#: 015292654

### Significant Weaknesses

- As previously indicated, NPI will need to hire four position to manage the grant. NPI has budgeted to use a search firm and the total fees are approximately \$116,100 -- approximately 6.5% of the 1.8 million allocated for administration of the program. (Cost Effectiveness, A.ii)?
- The budget also includes \$79,313 in Bonus Compensation for partners and senior leadership -- approximately 4.4% of the 1.8 million allocated for the administration of the program. (Cost Effectiveness, A.ii).
- There are no significant plans for building capacity of the subgrantees to be self-sufficient and raise funds over the long term (Cost Effectiveness, B.ii).

**Select a Rating for COST-EFFECTIVENESS AND BUDGET ADEQUACY** (double-click in the applicable box and select "checked")

☐ Excellent

☐ Strong

☐ Satisfactory

☒ Weak/Non-responsive

### OVERALL APPRAISAL

**I. Provide a 3 - 5 sentence Overall Appraisal Statement of the application taking into consideration:**

- The Narrative Assessments, significant strengths and weaknesses, and Ratings from each category; and
- The weighting of each category (Program Design (45%), Organizational Capacity (35%), Cost-Effectiveness and Budget Adequacy (20%)).

NPI's application indicated a strong track record of innovation evidenced by the success of the pre-selected subgrantees. The Panel was enthusiastic about the possibility of replicating their work more broadly. Unfortunately, the proposal provided insufficient information on the program design and unsatisfactory details about organizational capacity and cost-effectiveness and budget accuracy. The lack of detail combined with the inadequate capacity and disproportionate budget led the Panel to rank this application in Band IV (Weak/Non-Responsive).

**II. Select one Band for this application** (double-click in the applicable box and select "checked")

**Ensure that your selection is supported by your panel's Narrative Assessments, significant strengths and weaknesses, Ratings, and Overall Appraisal Statement. Take into consideration the weighting of each category.**

☐ **Band I (Excellent):** A comprehensive and thorough application of excellent merit with very significant strengths and no/minimal significant weaknesses.

☐ **Band II (Strong):** An application that demonstrates overall competence and is worthy of support, where the value of the significant strengths outweigh the identified weaknesses.

Applicant Name: New Profits Inc  
Application ID#: 015292654

- ☐ **Band III (Satisfactory):** An application with potential, where strengths and weaknesses are approximately equal. However, some fundamental weaknesses have been identified.
- ☒ **Band IV (Weak/Non-Responsive):** An application with very significant weaknesses and no/minimal significant strengths that have been identified. This option may also include an application that is non-responsive to the published criteria.

## Rank

As a panel, Rank this application in relation to the other applications on your panel. Complete this section only after all applications before your panel have been reviewed and consensus has been achieved on each one. The highest rank is "1".

Rank: 3 of 6 total applications on Panel # 9.

## CONSENSUS RUBRIC

Please use this Consensus Rubric as guidance when selecting your Ratings or Bands.

**BAND I (Excellent)** — *A BAND I rating reflects that the application is compelling, consistently excellent in quality, and addresses all requirements; thereby showing the highest potential for success.*

The **Excellent** application consistently:

- ✓ Goes beyond what was requested, showing that the applicant has anticipated issues that may arise.
- ✓ Provides a thorough, detailed response to all of the information requested.
- ✓ Provides a clear and highly compelling description of how the proposed activities will achieve the anticipated results.
- ✓ Provides clear evidence to support all objectives of this section (no assumptions are made).
- ✓ Supports ideas and objectives with comprehensive plans explaining and connecting ideas to objectives.

**BAND II (Strong)** — *A BAND II rating reflects that the application is solid, good-quality, and has great potential for success.*

The **Strong** application:

- ✓ Provides a response to all of the information requested.

Applicant Name: New Profits Inc  
Application ID#: 015292654

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- ✓ Provides a realistic description of how the proposed activities will achieve the anticipated results.
- ✓ Explains most assumptions and reasons.
- ✓ Supports ideas with comprehensive plans, examples, or outlines.

**BAND III (Satisfactory)** — *A BAND III rating reflects that the application generally meets requirements for a reasonable chance of success, but is neither especially strong nor especially weak.*

The **Satisfactory** application:

- ✓ Covers most of the information requested, with a few exceptions.
- ✓ Is sometimes unclear how the proposed activities will achieve the anticipated results.
- ✓ Makes some assumptions and leaves some reasons unexplained.
- ✓ Supports individual ideas with plans, examples, or outline.

**BAND IV (Weak/Non-responsive)** — *A weak/non-responsive rating reflects that the application is below standard especially in ability, skill, or quality; indicating that this application will most likely not succeed as described or is not responsive to the application requirements.*

The **Weak/Non-responsive** application:

- ✓ Does not provide one or more key pieces of requested information.
- ✓ Gives an unclear description of how the proposed activities will achieve the anticipated results.
- ✓ Gives many unsupported assumptions and reasons with little or no connection to objectives.
- ✓ Tends to "parrot" back the question, rather than answer and explain it
- ✓ Makes many assumptions and many reasons are not defined.
- ✓ Did not connect the activities to the anticipated results.
- ✓ Does not address or respond to the requirements/conditions of the NOFA.
- ✓ Proposes activities that are not consistent with the NOFA and application instructions.